

SITKA TRENDS

ECONOMIC NEWSLETTER

July 2020

The Sitka Economic Development Association is pleased to announce that the Sitka Economic Profile is now available. This thorough report put together by the McDowell Group contains data and analysis on economic and population shifts and trends that have the ability to produce long term impacts on the community. An area of great interest and concern in this report is the population decline caused by out-migration. Which is projected to bring Sitka's total population down to 8,300 by 2030 if the current trajectory remains unchanged.

The COVID-19 economic losses suffered throughout Southeast Alaska were the highest in the state. However, as displayed in the Sitka Economic Profile, Sitka's economy suffered less because of its diverse economy. With more evenly distributed sources of industry income than our heavily tourism reliant neighbors, Sitka managed to maintain an unemployment rate that is closer to the statewide average. The seafood industry, healthcare, and national interest federal government agencies supplement our diverse economy. More information on the economic impacts of COVID-19 will be available at a later date.

The aging population in Sitka also points towards an upcoming surge of retirement and natural population decline. Sitka has been fortunate to have a natural population increase over the past several years, with the birth rate outweighing the death rate. Now that the largest population group is 55-64 years old, the next 10 years are going to see an increased demand for a skilled labor force to take over as this age group retires. This is known as a generational shift.

While the economic impact from COVID-19 can be heavily felt in the tourism industry, it is truly affecting every sector in the local economy. Some among those feeling the losses are bars, restaurants, hotels, retailers, and health service workers. Some exceptions include grocery stores, which at the beginning of the Pandemic saw a surge in demand for household goods, and certain medical teams that were converted to COVID-19 testing and treatment.

CARES act funding, including Payroll Protection Program (PPP), expanded unemployment insurance payments to include federal assistance in the form of an additional \$600 per check for those who qualified. These government stimulus programs were put in place to maintain the economy during this crisis so that a future recovery would be viable. Though experts still predict that a full economic recovery will take several years to achieve.

The data below are the most recent available from the various sources.

EMPLOYMENT (not seasonally adjusted) – Annual Average	May 2020	2019	2018
Total Labor Force – Sitka (Source: Alaska Dept. of Labor)	4,112	4,494	4,408
Number Filing for Unemployment – Sitka (Source: Alaska Dept. of Labor)	505	184	183
Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)	12.30%	4.50%	4.20%
Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)	12.50%	6.60%	6.60%
Unemployment Rate – National (Source: Alaska Dept. of Labor)	13%	3.80%	3.90%
Job Openings	July. 10, 2020	Sept. 6, 2019	Sept. 24, 2018
Job orders at Sitka Job Center (includes SEARHC)	*Information not up to date	122	108
SEARHC job openings in Sitka	41	45	23
Quarterly Census Employment (Source: AK Dept. of Labor QCEW)	2019 Annual	2018 Annual	2017 Annual
Average Monthly Employment	4,311	4,250	4,283
Average Government Employment	1,015	1,115	1,132
Average Private Ownership Employment	3,296	3,135	3,151
Average Monthly Wage (Source: AK Dept. of Labor QCEW)	2019	2018	2017
All Sectors	\$ 4,748	\$ 3,868	\$ 3,642
Government Total	\$ 4,963	\$ 4,739	\$ 4,521
Federal Government	\$ 6,962	\$ 6,962	\$ 6,606
State Government	\$ 4,942	\$ 3,951	\$ 3,923
Local Government	\$ 4,224	\$ 4,744	\$ 4,436
Private Sector	\$ 4,682	\$ 3,558	\$ 3,302
Average Wages & Salaries (Source: US BEA)	2018*	2017	2016
Sitka	\$ 51,512	\$ 41,355	\$ 39,073
Juneau	\$ 55,612	\$ 44,846	\$ 43,822
Ketchikan	\$ 51,103	\$ 42,174	\$ 41,994
Alaska	\$ 58,661	\$ 56,687	\$ 56,388
*latest data available			
Per Capita Personal Income (Source: US Bureau Econ. Analysis) Includes all forms of income: rent, retirement, employment, etc.	2018*	2017	2016
Sitka	\$ 71,972	\$ 67,771	\$ 63,572
Juneau	\$ 68,145	\$ 65,784	\$ 63,779
Ketchikan	\$ 67,602	\$ 65,179	\$ 64,229
Alaska	\$ 59,420	\$ 57,180	\$ 56,020
*latest data available			

City Revenues – Fiscal Year (July 1- June 30)	FY2020*	FY2019	FY2018
Sales Tax Collected – Total Remitters	\$ 13,535,000.00	\$ 13,309,205	\$ 12,088,012
Bed Tax Collected – Total Remitters	\$ 535,000.00	\$ 553,911	\$ 543,697
Property Tax Collected – Total Remitters	\$ 6,966,000.00	\$ 6,777,625	\$ 6,647,375
Raw Fish Tax – Received into Harbor Fund	\$ 1,305,500.00	\$ 1,188,722	\$ 1,279,885
<i>*Budgetary numbers</i>			
COST OF LIVING INDICATORS			
Transportation – Regular Gasoline per gallon	July. 8, 2020	Sept. 6, 2019	% Change
Sitka (Source: AAA)	\$ 2.68	\$ 3.73	-28.18%
Juneau (Source: AAA)	\$ 2.80	\$ 3.42	-18.25%
Anchorage (Source: AAA)	\$ 2.44	\$ 2.81	-13.13%
Alaska Average (Source: AAA)	\$ 2.50	\$ 2.99	-16.42%
National Average (Source: AAA)	\$ 2.18	\$ 2.57	-15.02%
Housing - HUD Fair Market Rent – Sitka (Source: U.S. HUD)	2020	2019	% Change
Efficiency	\$ 950	\$ 916	3.71%
One-Bedroom	\$ 1,085	\$ 1,050	3.33%
Two-Bedroom	\$ 1,293	\$ 1,253	3.19%
Three-Bedroom	\$ 1,846	\$ 1,786	3.36%
Housing - HUD Fair Market Rent – Ketchikan (Source: U.S. HUD)	2020	2019	% Change
Efficiency	\$ 921	\$ 854	7.85%
One-Bedroom	\$ 1,074	\$ 1,005	6.87%
Two-Bedroom	\$ 1,414	\$ 1,330	6.32%
Three-Bedroom	\$ 1,917	\$ 1,785	7.39%
Housing – Construction and Sales	2nd Qtr 2020	2nd Qtr 2019	2nd Qtr 2018
Value of Construction Permits Issued (Source: CBS Building Department)	\$ 1,673,996	\$ 3,097,520	\$ 3,366,835
Dwelling Units Added (Source: CBS Building Department)	4	5	5
Total Homes Sold – all types combined (Source: CBS Assessing Dept.)	8*	19	27
Vacant Lots Sold – residential (Source: CBS Assessing Dept.)	0*	7	3
*Source: Zillow			
POPULATION	2019	2018	2017
City & Borough of Sitka (Source: AK Dept. of Labor)	8,532	8,652	8,748
Southeast Alaska (Source: AK Dept. of Labor)	72,373	72,876	72,915
State of Alaska (Source: AK Dept. of Labor)	731,007	736,239	737,080
PUBLIC SCHOOL ENROLLMENT – Sitka School District	Oct. 1, 2019	Oct. 1, 2018	Oct. , 2017
Total student enrollment KG-12 (Source: AK Dept. of Education)	1,235	1,243	1,284

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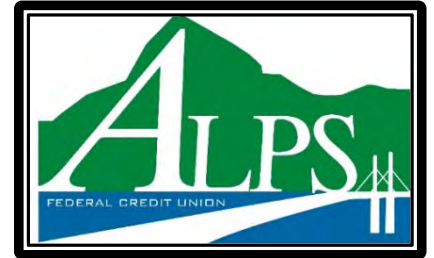
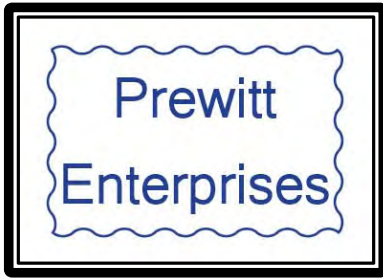


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